

**IOWA AGRICULTURAL  
DEVELOPMENT DIVISION**

**IADD BOARD MEETING MINUTES**

**September 24, 2014**

**8:30 a.m.**

**Conference Call**

**Board Members Present**

Lyle Borg, Vice Chair

John Fredrickson

Stacie Euken

Annette Townsley

**Board Members Absent**

Mark Leonard, Chair

**Staff Members Present**

Lori Beary, Community Development Director

Tammy Nebola, IADD Program Specialist

Steve Ferguson, IADD Program Specialist

Mark Thompson, General Counsel

Tim Jansen, Accounting Manager

**Others Present**

None

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**Call to Order**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Vice Chair Borg on September 24, 2014 at 8:34 am. Roll call was taken and a quorum was established with the following Board Members present: Borg, Euken, Fredrickson and Townsley.

**Review of Minutes of August 22, 2014 Board Meeting**

Mr. Borg presented the minutes of the August 22, 2014 IADD Board Meeting. The Board requested that the agenda of the entire day be attached to the minutes. Ms. Townsley noted that the location of the public hearing in the minutes needed to be corrected. The public hearing was held at the Wallace Foundation Learning Center.

**MOTION**

On a motion by Ms. Euken and a second by Mr. Fredrickson, Board unanimously approved the minutes of the August 22, 2014 IADD Board meeting as corrected.

### **Review of August 2014 financial statement**

Tim Jansen presented the August 2014 financials. He stated that for FY15 year-to-date, IADD had operating income of \$59,761, operating expense of \$69,669 and a net operating loss of \$9,908.

Mr. Borg asked about the MABSCO contract. Ms. Beary reported that the contract is being renegotiated and the preliminary proposal is to reduce the MABSCO share or tax credit application fees from approximately 60% to 50%.

### **MOTION**

On a motion by Mr. Borg and a second by Ms. Euken, the Board unanimously approved the August 2014 financial statement as presented.

### **BFLP Amending Resolution**

Tammy Nebola presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution 4659M – Zachary and Kari Knutson – Green Belt Bank and Trust in Iowa Falls is the lender. The amendment will lower the interest rate from 4.25% to 3.50% until July 15, 2019 at which time the rate will adjust to the original index of 3.25% above the US Treasury Index. The rate floor will decrease from 4.25% to 3.50%. All other loan terms will remain the same.

### **MOTION**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously accepted the BFLP amending resolution.

### **Beginning Farmer Loan Applications**

Tammy Nebola introduced the following applications for Beginning Farmer loans

AG 14-039 – Justin and Jeraco Whitaker – Beginning farmer loan of \$250,000 to purchase approximately 123 acres of agricultural land in Story County. The loan will have a variable interest rate of 4.10% and a loan length of 30 years. The index will be 85% of 2.50% over the US Treasury Rate with a rate floor of 3.61%. The lender is US Bank in Boone, Iowa.

Ms. Nebola stated that Justin had a BFLP in the past for \$250,000 for a hog building so he can only borrow \$250,000. She also explained that their net worth is very close to the maximum. The program allows for the value of personal homes and vehicles to be discounted by 10%. With that reduction in asset value, they fall below the maximum net worth and are eligible for a BFLP. The only outstanding issue is that the financial statement must be signed by Justin's wife, Jeraco.

AG 14-040 – Matthew and Allison Dop – Beginning farmer loan of \$500,000 to purchase approximately 154 acres of agricultural land in Jasper County. The loan will have a variable

interest rate of 3.79% and a loan length of 30 years. The index will be 1.75% above the 7-year US Treasury Note Index. The lender is Bank Iowa in Newton, Iowa.

### **MOTION**

Mr. Fredrickson made a motion to recommend approval of AG 14-039 and AG 14-040 subject to receiving any outstanding information. The motion was second by Ms. Euken and unanimously approved.

### **Public Hearing on Beginning Farmer Loans**

A public hearing was held by the IADD Board at the Iowa Finance Authority office on September 24, 2014 at 8:52 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:53 am.

### **MOTION**

On a motion by Ms. Townsley and seconded by Mr. Borg, the Board unanimously recommended approval of the BFLP Bond documents.

### **Beginning Farmer Tax Credit Applications**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 35 new BFTC applications for an estimated tax credit amount of \$223,367. He noted that of those, 21 are cash rent, 12 are crop share and 2 are hybrid leases. With tax credits approved previously and these applications, approximately \$5,170,571 in beginning farmer tax credits has been allocated so far in 2014.

### **MOTION**

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications 1599 – 1613, 1615 – 1624 and 1626 - 1635.

### **Marketing Update**

Included in the Board packet is the IADD marketing calendar. Steve Ferguson discussed the events he's been attending and the ones coming up.

Steve attended the Iowa State Center for Ag Law and Tax Seminar in Ames. There were about 200 ag attorneys and CPA's that attended. Steve said he got a very good response. He will be attending more of those seminars throughout the fall. He also attended the Iowa Society of CPA's Fall Conference and was given an opportunity to speak to the attendees.

Ms. Townsley asked if staff had received any contacts or follow-up from the August meeting. Steve said he had received several calls from the August meeting.

### **Other Business**

Mr. Leonard and Mr. Ferguson attended the NARRC Conference in Savannah, Georgia in September. He gave a brief overview of the conference. Mr. Ferguson reported that the 2015

NARRC conference will be in Sheraton, Wyoming. Mr. Borg requested that the conference agenda be attached to the minutes.

The IADD Board discussed upcoming Board meeting dates. The next IADD Board meeting will be Wednesday, October 22 at 8:30 am via conference call.

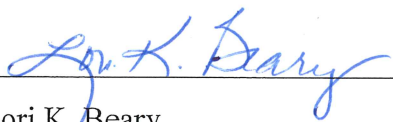
The November IADD Board meeting will be Monday, November 24 at 9:30 am at the Iowa Finance Authority office. The December IADD Board meeting will be Monday, December 22 at 8:30 am via conference call.

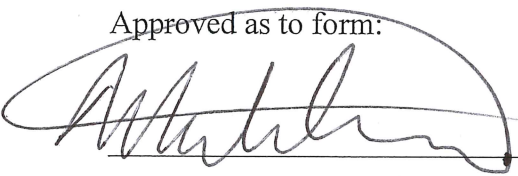
**Adjournment**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the September 24, 2014 meeting of the IADD Board of Directors adjourned at 9:17 am.

Dated this 22<sup>nd</sup> day of October, 2014.

Respectfully submitted:

  
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Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:  
  
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Mark W. Leonard, Chair  
IADD Board